

-----Original Message-----

From: Erik Milito [<mailto:militoe@api.org>]

Sent: Monday, January 30, 2006 6:12 PM

To: MRM Comments

Cc: Erik Milito

Subject: API Comments on Takes vs. Entitlements Rulemaking RIN 1010-AC29

January 30, 2006

Minerals Management Service
Minerals Revenue Management
Attn: Sharron L. Gebhardt
P.O. Box 25165
Mail Stop 302B2
Denver, Colorado 80225-0165

Attention: Regulation Identifier Number - RIN 1010-AC2A

Re: Reporting and Paying Royalties on Federal Leases on Takes or
Entitlements Basis

The American Petroleum Institute (API) hereby submits its comments on the advance notice of proposed rulemaking, "Reporting and Paying Royalties on Federal Leases on Takes or Entitlements Basis," 70 Fed. Reg. 71421 (November 29, 2005). API represents more than 400 member companies involved in all aspects of the oil and natural gas industry, including exploration, production, transportation, refining and marketing. API member companies are subject to the regulations of the Minerals Management Service pertaining to mineral revenue management and the payment of royalties. Therefore, API and its member companies have a direct interest in this rulemaking.

API supports the comments submitted by the Council of Petroleum Accountants Societies (COPAS) on this proposal. Specifically, API supports the "Pure Entitlements" approach set forth in Option 2 of the proposal for offshore situations where oil and gas production is commingled upstream of the point of royalty measurement.

API appreciates the opportunity to comment on this advance notice of proposed rulemaking. If you have any questions concerning API's position, please contact Erik G. Milito at 202-682-8273.

Sincerely,

Erik G. Milito
American Petroleum Institute
1220 L Street NW
Washington, DC 20005
202-682-8273
militoe@api.org



1220 L Street, Northwest
Washington, DC 20005-4070
Tel (202) 682-8273
Fax (202) 682-8033
e-mail: militoe@api.org

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